

File ACT/037/029

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ALDINE J. COFFMAN, JR.  
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March 2, 1981

DRAWER J  
MOAB, UTAH 84532

RECEIVED

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DIVISION OF  
OIL, GAS & MINING

Mr. James W. Smith, Jr.  
Coordinator of Mined Land Development  
State of Utah, Department of Natural  
Resources  
Division of Oil, Gas and Mining  
1588 West North Temple  
Salt Lake City, Utah 84116

Re: Sum Company, Inc., Oljeto (Chum) Mine, San Juan  
County, Utah

Dear Mr. Smith:

The Enclosed "Application to the Division of State Lands for Approval of Proposed Mining Activity on State Mineral Lease No. ML-33315" is being submitted to you under the provisions of the Mining Memorandum issued by the Division of State Lands respecting mineral leases, of January 20, 1978. A copy of that Memorandum is enclosed for your reference. It is my understanding that you will refer the Application to Wayne Hedberg of your office for evaluation and recommendations to Mr. John Blake, Mineral Resources Specialist at the Division of State Lands. [If Mr. Hedberg finds the application satisfactory and so recommends to Mr. Blake, I anticipate the Division of State Lands to take administrative action under the Mining Memorandum to approve the proposed mining activity.]

Mr. Hedberg may feel free to contact me for any questions or suggested modifications which come to his attention while reviewing the Application. Mr. Hedberg has been on the property and has seen the site so that he should be most qualified to give immediate attention to the Application.

By copy of this letter, I am advising Anne Stirba, Assistant Attorney General assigned to the Division of State Lands, of the filing of this Application. In a



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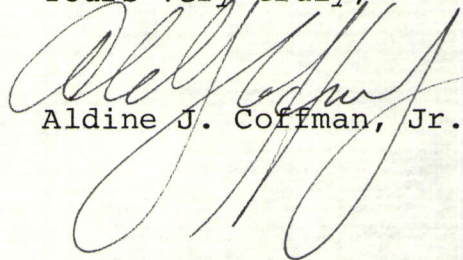
separate letter to her, a copy of which is enclosed for your records, I am providing to her for Mr. Dinehart's office a duplicate Application. As you recall, on Thursday, February 26, 1981, you, Mrs. Stirba, myself and representatives of the Sum Company, Inc., met in Mr. Dinehart's office to discuss the expeditious handling of this Application, and it was felt that if the Application were filed on Monday, approval might be forthcoming by Friday, March 6, 1981.

A copy of the Bond letter is attached to the Application.

No mining operation other than the pumping of water from the mine shall occur until notification of approval is received.

I anticipate that, within four to five months, if my client discovers additional ore, a new application will be filed with the Division of Oil, Gas and Mining, which indicates an intent to disturb additional acreage, but all mining conducted prior to the approval of such an application will be done strictly in accordance with the application filed under the provisions herein cited.

Yours very truly,



Aldine J. Coffman, Jr.

AJC:mag  
Enclosures (as noted)  
cc: Wayne Hedberg  
William K. Dinehart  
Anne Stirba  
John T. Blake